

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

**APPLICATION OF KENTUCKY POWER
COMPANY FOR APPROVAL OF ITS
2011 ENVIRONMENTAL COMPLIANCE
PLAN, FOR APPROVAL OF ITS
AMENDED ENVIRONMENTAL COST
RECOVERY SURCHARGE TARIFF, AND
FOR THE GRANTING OF A
CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY FOR
THE CONSTRUCTION AND
ACQUISITION OF RELATED
FACILITIES**

CASE NO. 2011-00401

RECEIVED

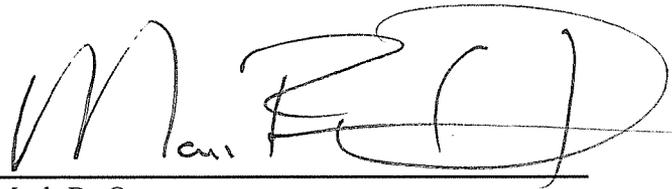
APR 03 2012

PUBLIC SERVICE
COMMISSION

Notice of Filing of Proofs of Publication

Kentucky Power Company hereby files with the Public Service Commission of Kentucky its proofs of publication of the notices of its proposed environmental surcharge, including an affidavit verifying the publication of the notice, along with the dates of the publications, and copies of the notice.

Respectfully submitted,



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R. Benjamin Crittenden
STITES & HARBISON PLLC
421 West Main Street
P. O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477

COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing (without clippings) was served by first class mail upon the following parties of record on this 3rd day of April, 2012.

Michael L. Kurtz
Boehm, Kurtz & Lowry
Suite 1510
36 East Seventh Street
Cincinnati, Ohio 45202

Joe F. Childers
Joe F. Childers & Associates
300 The Lexington Building
201 West Short Street
Lexington, Kentucky 40507

Dennis G. Howard II
Lawrence W. Cook
Assistant Attorney General
Office for Rate Intervention
P.O. Box 2000
Frankfort, Kentucky 40602-2000

Kristin Henry
Sierra Club
85 Second Street
San Francisco, California 94105

Shannon Fisk
235 Rector St.
Philadelphia, PA 19128

A handwritten signature in black ink, appearing to read "Matthew R. Childers", written over a horizontal line. The signature is stylized and cursive.

Counsel for Kentucky Power Company

NOTARIZED PROOF OF PUBLICATION

COMMONWEALTH OF KENTUCKY

COUNTY OF Franklin

Before me, a Notary Public, in and for said county and state, this 4th day of January, ²⁰¹² 2011, came RACHEL M'CARDY,

personally known to me, who, being duly sworn, states as follows: that she is the Advertising Assistant of the Kentucky Press Service, Inc.; that she has personal knowledge of the contents of this Affidavit; that the newspapers shown on Attachment No. 1 to this Affidavit published the Public Notice, on the dates shown thereon at the request of Kentucky Press Service, Inc. for Kentucky Power Company; that the form and content of the Notice submitted for publication to each paper is shown in Attachment No. 2 to this Affidavit; and that the Kentucky Press Service, Inc. has presented to Kentucky Power Company proof of these publications in the form of "tear sheets" for retention in its files.

Rachel M'Carly
Signature

Bonnie J. Howard
Notary Public
My Commission Expires: 9-18-12

(SEAL)

KENTUCKY PRESS SERVICE

**101 Consumer Lane
(502) 223-8821**

**Frankfort, KY 40601
FAX (502) 875-2624**

Rachel McCarty Advertising Dept.

List of newspapers running the Notice to Kentucky Power Company Customers. Attached tearsheets provide proof of publication:

Ashland Daily Independent--Nov. 30, Dec. 7 & 14
Booneville Sentinel--Dec. 1, 8 & 15
Grayson Journal--Nov. 30, Dec. 7 & 14
Greenup News --Dec. 1, 8 & 15
Hazard Herald --Nov. 30, Dec. 7 & 14
Hindman Troublesome Creek Times --Dec. 1, 8 & 15
Hyden Leslie Co. News --Dec. 1, 8 & 15
Inez Mt. Citizen --Nov. 30, Dec. 7 & 14
Jackson Times Voice --Dec. 1, 8 & 15
Louisa Big Sandy News --Nov. 30, Dec. 7 & 14
Manchester Enterprise --Dec. 1, 8 & 15
Morehead News --Nov. 29, Dec. 6 & 13
Paintsville Herald --Nov. 30, Dec. 7 & 14
Pikeville Appalachian News --Nov. 30, Dec. 7 & 14
Prestonsburg Floyd Co. --Nov. 30, Dec. 7 & 14
Salyersville Independent --Dec. 1, 8 & 15
Sandy Hook Elliott Co. News --Dec. 2, 9 & 16
Vanceburg Lewis Herald--Nov. 29, Dec. 6 & 13
West Liberty Licking Valley --Dec. 1, 8 & 15
Whitesburg Mt. Eagle --Nov. 30, Dec. 7 & 14

NOTICE TO CUSTOMERS
OF
KENTUCKY POWER COMPANY
PROPOSED CHANGES TO THE ENVIRONMENTAL SURCHARGE TARIFF

PLEASE TAKE NOTICE that Kentucky Power Company (KPCo) will file an Application with the Kentucky Public Service Commission (the Commission) in Case No. 2011-00401 on December 5, 2011. Pursuant to Kentucky Revised Statute 278.183, the Application will request approval of an amended compliance plan (2011 Environmental Compliance Plan) for the purpose of recovering the capital and operation and maintenance costs associated with new pollution control facilities through an increase in the environmental surcharge on customers' bills rendered on and after July 31, 2012, under KPCo's Tariff E.S., also known as the environmental surcharge. This tariff contains the environmental surcharge ratemaking formula and other terms and conditions. The proposed changes, if approved, will allow KPCo to apply a surcharge to all customer bills rendered on and after July 31, 2012, to recover additional costs of complying with the Federal Clean Air Act, as amended, and other federal and state or local environmental requirements which apply to coal combustion wastes and by-products from facilities utilized for the production of energy from coal in accordance with KPCo's environmental compliance plan.

Federal, state, and local environmental regulations require KPCo to build and upgrade equipment and facilities to operate in an environmentally sound manner. Specifically, KPCo is seeking Commission approval of a Certificate of Public Convenience and Necessity (CPCN) to build a Dry Flue Gas Desulfurization (DFGD) system for Unit 2 at its Big Sandy Generating Station in Lawrence County, Kentucky. The 2011 Environmental Compliance Plan also includes KPCo's share of an Activated Carbon Injection (ACI) system put in-service in September 2009 at Rockport Generating Station Units 1 and 2; Selective Non-Catalytic Reduction (SNCR) systems put in-service in December 2009 at Tanners Creek Generating Station Units 1, 2 and 3; Dry Fly Ash Disposal Conversion put in-service in August 2010 at Amos Generating Station Unit 3; Mercury In-Pond Chemical Treatment put in-service in July 2011, as well as Ash Pond Discharge Diffusers and Flue Gas Desulfurization Mercury Waste Water Treatment facilities to be built by the fourth quarter of 2012 at Amos Generating Station Common Plant. Additional required environmental allowances to meet the Cross State Air Pollution Rule are also included in this filing. The capital cost of the new pollution control facilities for which KPCo will seek cost recovery at this time is estimated to be \$1.07 billion. Additional operation and maintenance expenses will be incurred for these projects and are costs that KPCo is requesting to recover through the environmental surcharge in its application.

The impact on KPCo's electric customers is estimated to be a 0.20% increase in 2012 with a maximum increase of 31.41% in 2016. For a KPCo residential customer using an average of 1,000 kWh per month, the initial monthly increase is expected to be \$0.20 in 2012, with a maximum monthly increase expected to be \$30.76 in 2016.

The Environmental Surcharge Application and tariff change described in this Notice is proposed by KPCo. However, the Public Service Commission may issue an order modifying or denying KPCo's application and proposed tariff change. Such action may result in a change in the environmental surcharge amount for a customer that is different than the environmental surcharge amounts in this notice.

Any corporation, association, body politic or person may, by motion within thirty (30) days after publication or mailing of notice of the proposed changes to the environmental surcharge tariff, request leave to intervene in Case No. 2011-00401. That motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602-0615, and shall set forth the grounds for the request including the status and interest of the party.

Intervenor may obtain copies of the Application and supporting testimony by contacting Kentucky Power Company at 101A Enterprise Drive, P.O. Box 5190, Frankfort, Kentucky 40602-5190, attention Ranie K. Wohnhas. A copy of the Application and testimony is available for public inspection at KPCo's district service buildings located in Ashland, Hazard, and Pikeville.